General Information

Disposable medical supplies (DMS) are medically necessary items which have a limited life expectancy and are consumable, expendable, disposable, or nondurable. To qualify for Wisconsin Medicaid coverage, all DMS must:

- Be necessary and reasonable for treating a recipient's illness, injury, or disability.
- Be prescribed.
- Be suitable for the recipient's residence.
- Be useful to a recipient who is ill, injured, or disabled.
- Serve a primary medical purpose.

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Scope of Service

The policies in this handbook govern services provided within the scope of professional practice as defined in ss. 49, Wis. Stats., and HFS 105.40 and 107.24, Wis. Admin. Code. Please refer to the Covered Services chapter of this handbook for more information on covered services and related limitations.

Provider Certification

Disposable medical supplies may only be provided by certified Wisconsin Medicaid providers, including:

- Clinics.
- Durable medical equipment vendors.
- Hearing instrument specialists (for hearing aid batteries only).
- Home care agencies.
- Nursing homes.
- Orthotists.
- Outpatient hospitals.
- Pharmacies.
- Physicians.
- Prosthetists.
- Therapists.

Recipient Information

Wisconsin Medicaid providers should always verify a recipient's eligibility before delivering services to determine eligibility for that date of service, to discover any limitations to the recipient's coverage, and to determine if the recipient is enrolled in a Wisconsin Medicaid managed care program. Wisconsin Medicaid's Eligibility Verification System (EVS) provides eligibility information that providers can access a number of ways.

Refer to the Important Telephone Numbers page at the beginning of this handbook for more information on the EVS.

Disposable Medical Supplies and Managed Care

Wisconsin Medicaid requires providers to verify if a recipient is enrolled in a Wisconsin Medicaid managed care program before providing services. Wisconsin Medicaid denies claims submitted for services covered by Medicaid managed care programs.

If a recipient is enrolled in a managed care program, providers are required to submit claims to that managed care program. In most cases, the provider is required to be part of the managed care program's provider network to receive reimbursement from the managed care program. The contract between the managed care program and its affiliated providers establishes all conditions of payment and prior authorization for DMS services.

Contact the recipient's managed care program for further information.

6 Covered Services

Wisconsin Medicaid will only reimburse a service if the recipient was eligible on the date he or she received the service.

This chapter outlines covered services and related limitations for disposable medical supplies (DMS). Refer to the DMS Index/ Maximum Allowable Fee Schedule (referred to in this handbook as the DMS Index) for specific coverage and limitations (such as prior authorization [PA] requirements). Refer to "Explanation of the Disposable Medical Supplies Index" in this chapter for more information on the DMS Index. Wisconsin Medicaid will only reimburse a service if the recipient was eligible on the date he or she received the service.

Medical Necessity

Wisconsin Medicaid only reimburses services that are medically necessary as defined under HFS 101.03(96m), Wis. Admin. Code. Wisconsin Medicaid will not reimburse or will recoup payment from providers for a service if that service fails to meet Wisconsin Medicaid medical necessity requirements.

A medically necessary service is defined as a covered service that:

a. Is required to prevent, identify, or treat a recipient's illness, injury, or disability.
b. Meets the following standards:
    1. Is consistent with the recipient's symptoms or with prevention, diagnosis or treatment of the recipient's illness, injury, or disability;
    2. Is provided consistent with standards of acceptable quality of care applicable to the type of service, the type of provider and the setting in which the service is provided;
    3. Is appropriate with regard to generally accepted standards of medical practice;
    4. Is not medically contraindicated with regard to the recipient's diagnoses, the recipient's symptoms or other medically necessary services being provided to the recipient;
    5. Is of proven medical value or usefulness and, consistent with s. HFS 107.035, Wis. Admin. Code, is not experimental in nature;
    6. Is not duplicative with respect to other services being provided to the recipient;
    7. Is not solely for the convenience of the recipient, the recipient's family or a provider;
    8. With respect to prior authorization of a service and to other prospective coverage determinations made by the department, is cost-effective compared to an alternative medically necessary service that is reasonably accessible to the recipient; and
    9. Is the most appropriate supply or level of service that can be safely and effectively provided to the recipient.

Covered Services

As stated in HFS 107.24(2)(d), Wis. Admin. Code, Wisconsin Medicaid covers the following categories of DMS:

- Colostomy, urostomy, ileostomy appliances.
- Contraceptive supplies (provided by pharmacies and family planning clinics).
- Diabetic urine and blood testing supplies.
- Dressings.
- Gastric feeding/enteral sets and supplies.
- Hearing aid or assistive listening device batteries.
- Incontinence supplies, catheters, irrigation apparatus.
- Parenteral supplies.

- Tracheostomy and endotracheal care supplies.
- Ventilator supplies.

Refer to "Diabetic Supplies" and "Diapers and Liners" in this chapter for additional information and requirements on diabetic supplies and diapers and liners, respectively.

Diabetic Supplies

Wisconsin Medicaid covers diabetic supplies for recipients with either Type 1 or Type 2 diabetes when:

- The appropriate documentation is maintained in the recipient's medical record (refer to the Provider Rights and Responsibilities section of the All-Provider Handbook for more information on maintaining recipient records).
- The frequency of testing is determined by the physician, physician assistant, or nurse practitioner treating the recipient's diabetes.
- The recipient is under the care of a physician, physician assistant, or nurse practitioner.
- The supplies are for home use only.

Note: Diabetic supplies provided to nursing home recipients are included in the nursing home daily rate and are not separately reimbursable.

Refer to "Prescriptions for Disposable Medical Supplies" in this chapter for specific information on prescriptions for diabetic supplies.

Diapers and Liners

Wisconsin Medicaid only covers diapers (disposable and cloth) and liners for recipients who meet the medical necessity requirements as outlined under "Medical Necessity" in this chapter. Wisconsin Medicaid will not reimburse for diapers or liners in the following situations:

- When diapers are provided solely for the convenience of the recipient, the recipient's family, or the provider.
- When diapers and liners are provided to children under four years of age.

Note: Diapers provided to nursing home recipients are included in the nursing home daily rate and are not separately reimbursable.

Noncovered Services

As stated in HFS 101.03(103), Wis. Admin. Code, a noncovered service is a service, item, or supply for which Medicaid reimbursement is not available. This includes the following:

- A service considered by the Department of Health and Family Services (DHFS) consultants to be medically unnecessary, unreasonable, or inappropriate.
- A service for which PA has been denied.
- A service listed as noncovered in HFS 107.03, Wis. Admin. Code.

According to HFS 107.24(5), Wis. Admin. Code, Wisconsin Medicaid does not cover the following as DMS:

- Services denied by Medicare for lack of medical necessity.
- Items which are not primarily medical in nature.
- Items which are not appropriate for home usage.
- Items which are not generally accepted by the medical profession as being therapeutically effective.
- Items which are for comfort and convenience.
- Hearing aid or other assistive listening device batteries which are provided in excess of the DMS Index guidelines.
- Food.
- Infant formula and enteral nutritional products, as noted under HFS 107.10(4)(s) and (t), Wis. Admin. Code. (Refer to the Pharmacy Handbook for more information on these items.)

Wisconsin Medicaid only covers diapers (disposable and cloth) and liners for recipients who meet the medical necessity requirements as outlined under "Medical Necessity" in this chapter.

Prescriptions for Disposable Medical Supplies

As stated in HFS 107.24(4)(b) and 107.02(2m), Wis. Admin. Code, DMS provided to dual entitlees *always* require a valid prescription, even when Medicare does not require a prescription for those items.

As stated in HFS 107.02(2m)(9), Wis. Admin. Code, all DMS, except for hearing aid batteries, require a prescription signed by a physician, a physician assistant, or a nurse practitioner.

Except as otherwise stated in state or federal law, the prescription must be in writing, or given orally and later reduced to writing by the provider filling the order. The prescription must include the following information:

- Date of the order.
- Name and address of the prescriber.
- Name and address of the recipient.
- Name and quantity of the prescribed item.
- Diagnosis or medical necessity for the item.
- Directions for use of the prescribed item.
- Prescriber's signature.

Prescriptions are valid for no more than one year from the date written.

Providers who dispense DMS are reminded that Wisconsin Medicaid will only reimburse for either:

- Items that are listed in the DMS Index. (Refer to "Explanation of the Disposable Medical Supplies Index" in this chapter for more information on the DMS Index.)
- Items that are not listed in the DMS Index but meet the medical necessity criteria as defined under HFS 101.03(96m), Wis. Admin. Code. (These items always require PA.)

Prescriptions for Diabetic Supplies

In addition to the standard information required on all prescriptions for DMS, a prescription for diabetic supplies must include the following information:

- The items, supplies, and accessories needed.
- The quantities to be dispensed.
- The frequency of use.

In addition, the provider is responsible for documenting the diagnosis (*International Classification of Diseases, Ninth Revision, Clinical Modification* or narrative) of diabetes (250.0-250.9, 648.0 and 648.8) and the source of this information.

Other requirements and limitations for the prescription of diabetic supplies include:

- The prescription is valid for up to 12 months and must be renewed with a new written prescription by the treating physician, physician assistant, or nurse practitioner.
- For continued coverage of test strips and lancets, the treating physician, physician assistant, nurse practitioner, recipient, or the recipient's caregiver is required to initiate the renewal prescription with a valid prescription. *A supplier may not initiate the renewal prescription for these items.*
- The renewal prescription must contain the following information:
  - √ The items, supplies, and accessories needed.
  - √ The quantities to be dispensed.
  - √ The frequency of use.
- An initial or renewal prescription for supplies and equipment "as needed" is *not valid* for Wisconsin Medicaid. The quantity must be indicated.

Prescriptions for Dual Entitlees

As stated in HFS 107.24(4)(b) and 107.02(2m), Wis. Admin. Code, DMS provided to dual entitlees *always* require a valid prescription, even when Medicare does not require a prescription for those items. As

described in the Claims Submission chapter of this handbook, dual entitlees are those recipients who are eligible for coverage by both Wisconsin Medicaid and Medicare Part A, Part B, or both.

Explanation of the Disposable Medical Supplies Index

The DMS Index lists the items covered by Wisconsin Medicaid, the maximum allowable fee for each item, and the limitations applicable to each code.

Wisconsin Medicaid periodically updates the DMS Index. For reference purposes, providers are encouraged to retain their current copy of the DMS Index when new copies are issued. (Providers should retain the current copy until all claims submitted during the dates of service (DOS) covered by that copy are resolved.) Providers should use the DMS Index appropriate for the DOS when submitting claims or Adjustment Request Forms.

Please refer to Appendix 4 of this handbook for a key to reading the DMS Index.

Providers may access an interactive, online version of the DMS Index on Wisconsin Medicaid's Web site at *www.dhfs.state.wi.us/medicaid/*.

Providers may also:

- Download an electronic Portable Document File (PDF) version from Wisconsin Medicaid's Web site at *www.dhfs.state.wi.us/medicaid/*.
- Purchase additional copies of the DMS Index by calling Provider Services at (800) 947-9627 or (608) 221-9883, or by writing to:

  Wisconsin Medicaid
  Provider Maintenance
  6406 Bridge Rd
  Madison WI 53784-0006

  Contact Provider Services for the cost of the fee schedule.

Preparing and Maintaining Records

All providers are required to prepare and maintain truthful, accurate, complete, legible, and concise medical documentation and financial records according to HFS 106.02(9)(a) and (b), Wis. Admin. Code.

Refer to the Provider Rights and Responsibilities section of the All-Provider Handbook for more information on recordkeeping requirements.

Disposable Medical Supplies Used by Providers

Wisconsin Medicaid does not separately reimburse providers for otherwise covered DMS used during the course of providing a reimbursable service. (For example, Wisconsin Medicaid will not provide separate reimbursement for gloves used in a home care visit.) This includes, but is not limited to, supplies mandated by the Occupational Safety and Health Administration.

Certain DMS are not separately reimbursable when provided during the course of the following services:

- Home care.
- Nursing home.
- Occupational therapy.
- Physical therapy.
- Speech and language pathology.

Note: Home care, nursing home, personal care, and private duty nursing providers should refer to the DMS Index to determine what items are included in the home care and nursing home daily rates. Please note that disposable underpads (procedure code A4554), are only included in the home care rate

For reference purposes, providers are encouraged to retain their current copy of the DMS Index when new copies are issued.

when used for purposes *other than* incontinence or for bowel and bladder programs.

These costs cannot be reimbursed separately by Wisconsin Medicaid and cannot be billed to the recipient.

Providers should submit claims for Medicaid-covered DMS that are not included in the nursing home daily rate on the CMS 1500 claim form.

Disposable Medical Supplies Used by Noncertified Individuals

Wisconsin Medicaid will provide separate reimbursement to providers for supplies if they are used by a noncertified individual, such as a family member, to provide nonreimbursable care to the recipient. In this case the noncertified individual would receive the DMS from a provider authorized to dispense DMS.

The provision of all DMS is required to meet the policies outlined in this handbook, including the prescription requirements, for the provider to receive reimbursement from Wisconsin Medicaid.

Disposable Medical Supplies Provided to Nursing Home Recipients

The Nursing Home Handbook and DMS Index indicate that most DMS are included in the daily rate for nursing homes and are not separately reimbursable. This includes:

- Incontinence supplies.
- Personal comfort supplies.
- Medical supplies.

In addition, Wisconsin Medicaid does not reimburse providers when recipients residing in nursing homes specifically choose to purchase DMS (other than nursing home stock items) with their personal needs account. (This policy applies only to DMS not considered medically necessary, and, therefore, not covered by Wisconsin Medicaid. The recipient is responsible for reimbursing the provider in this instance. Providers are required to notify the recipient in advance that he or she will be responsible for the cost of these supplies.)

Wisconsin Medicaid will only separately reimburse providers for DMS provided to nursing home recipients when:

- The items are not included in the nursing home daily rate, as indicated in the DMS Index or the Methods of Implementation. (Refer to the Nursing Home Handbook for more information on the Methods of Implementation.)
- The recipients' medical conditions meet the criteria for exceptional supplies. (Refer to "Exceptional Supplies" in this chapter for more information.)

Providers should submit claims for Medicaid-covered DMS that are not included in the nursing home daily rate on the CMS 1500 claim form. Refer to the Claims Submission chapter of this handbook for more information on claims submission.

Exceptional Supplies

Providers may receive reimbursement for certain DMS and durable medical equipment provided to nursing home recipients whose medical conditions make them eligible for exceptional supplies. To be eligible for exceptional supply needs, recipients must either:

- Be ventilator dependent.
- Have a tracheostomy that requires extensive care at least twice in an eight hour period of time.

The exceptional supply procedure code allows Wisconsin Medicaid to separately reimburse certain supplies and equipment that are usually included in the nursing home daily rate.

Covered supplies are limited to those directly needed for the care and diagnosis of the above conditions, as defined in HFS 101.03(96m) and HFS 107.24(3), Wis. Admin. Code.

Exceptional supplies require PA. Refer to Appendix 3 of this handbook for more information on exceptional supplies and PA.

HealthCheck "Other Services"

Medically necessary services that are not otherwise covered by Wisconsin Medicaid or that exceed Medicaid limitations may be covered under the HealthCheck "Other Services" program when prior authorized. (HealthCheck is Wisconsin Medicaid's name for the federally mandated childhood preventive health program known as Early and Periodic Screening, Diagnosis, and Treatment [EPSDT].)

HealthCheck "Other Services" may include DMS that meet the medical necessity criteria, but are not listed as a covered service by Wisconsin Medicaid. The DMS may be covered when prior authorized. Refer to the Prior Authorization chapter of this handbook for PA information.

Refer to the Covered and Noncovered Services section of the All-Provider Handbook for HealthCheck "Other Services" coverage and limitation information.